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INFO RUCNNSG/NUCLEAR SUPPLIERS GROUP COLLECTIVE PRIORITY  
RUEHBK/AMEMBASSY BANGKOK PRIORITY 0786  
RUEHBJ/AMEMBASSY BEIJING PRIORITY 4228  
RUEHJA/AMEMBASSY JAKARTA PRIORITY 0165  
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1101  
RUEHGO/AMEMBASSY RANGOON PRIORITY 0047

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DEPARTMENT ALSO FOR EUR/PRA (FRIEDT, NASH), EUR/RUS,  
EAP, ISN, AND T SENIOR ADVISOR TIMBIE

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SUBJECT: RUSSIA: MFA CAUGHT OFF GUARD BY BURMA NUCLEAR DEAL

REF: MOSCOW 1550

Classified By: EST Counselor Daniel O'Grady. Reasons 1.4(b,d)

11. (S) SUMMARY. Rosatom's May 15 announcement of an agreement to build a research nuclear reactor in Burma caught the Russian MFA by surprise. Rosatom, however, claimed no one should have been surprised by the signing of an agreement that had simply been waiting for a Burmese response for two years. Overall, the fact that the signing of the Russian-Burmese deal was imminent appears to have been closely held within a small circle at Rosatom and in the Russian Government. END SUMMARY

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MFA: NO ONE TOLD US  
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12. (S) On May 18 we spoke with Mikhail Kondratenkov, Second Secretary in the MFA Department of Security and Disarmament

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Affairs (DVBR), concerning Rosatom's May 15 announcement that Russia and Burma had signed an Intergovernmental Agreement on Cooperation in the construction of a Center for Nuclear Studies in Burma. As described in a Rosatom press release, the center will include a 10MW light water research reactor based on fuel enriched to 20 percent in U235. Kondratenkov told us that DVBR had been caught off guard by the Rosatom announcement. He said that unbeknownst to DVBR, an agreement in principle to move ahead on the Burma deal had been in place for three years. "No one told us," Kondratenkov complained. He continued, "We were told of the impending signing only two days before it took place, which was not enough time for us to give the agreement a critical reading."

Kondratenkov apologized for telling us there had been no movement on an intergovernmental agreement when we met with him and DVBR First Secretary Aleksandr Shilin on April 6 (Reftel). Kondratenkov said that at the time that is what he and Shilin believed. We asked Kondratenkov whether Burma intends to become a party to the IAEA Code of Conduct on Safety and Security of Radioactive Sources. He replied, "I don't know," and said he still has not had time to read the Russia-Burma agreement through in its entirety.

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ROSATOM: SO WHAT?  
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13. (S) Prior to our conversation with Kondratenkov, we spoke

with Natalya Klishina in Rosatom's Office of Bilateral Cooperation and Protocol. We reminded Klishina of our conversation on April 6 (REFTEL). Klishina reacted to our surprise by telling us the delay in concluding an intergovernmental agreement had been entirely on the Burmese side. She said Russia had sent its draft to Rangoon in 2005 and had been waiting for a reply ever since. The Burmese response had finally come and was acceptable to Rosatom, which had always been fully prepared to move forward with the signing. Thus, according to Klishina, there should have been no cause for surprise.

¶4. (S) When pressed whether Burma intends to become a party to the IAEA Code of Conduct, Klishina replied uncertainly, repeating Rosatom's public assurances that the Burmese research reactor would come under IAEA guarantees. Asked about timetables and costs, Klishina said actual contract

negotiations with Atomstroyexport had not yet started and that she did not expect a contract to be concluded anytime soon. Saying she would have to study the issue further, Klishina declined to predict when construction of the nuclear center might begin, much less how long it would take to complete.

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COMMENT  
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¶5. (S) Kondratenkov's surprise over the signing of the Russia-Burmese agreement was entirely genuine. It is our sense that Klishina, although claiming post-fact that there was no reason for surprise, had not been involved in final negotiations leading up to the signing on May 15. The imminent signing of this agreement appears to have been known only to a small circle within the Russian Government and Rosatom.  
BURNS